

SENATE BILL

No. 236

Introduced by Senators Runner, Ackerman, Aanestad, and Cox

February 14, 2007

An act relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 236, as amended, Runner. Health care: ~~Cal CARE program.~~

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law also provides for the regulation of health insurers by the Department of Insurance. Under existing law, an employer in this state is not required to provide health care coverage for its employees, and residents are not required to obtain and maintain such coverage for themselves.

This bill would express the Legislature's intent to enact the Cal CARE program to improve access to health care services for the residents of this state, as specified. *The bill would declare that the Legislature shall enact specified legislation and would declare the Legislature's intent to accomplish specified acts in order to improve access and affordability to health care.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares the
2 following:

1 (1) Cal CARE is a program that will improve the current health
2 care system in this state and provide the most effective means of
3 making health care more affordable and accessible to the residents
4 of California.

5 (2) Cal CARE will create more consumer options and cultivate
6 marketplace competition by eliminating regulatory hurdles in the
7 health care system.

8 (3) Cal CARE will provide new incentives for hospitals and
9 private industry to increase the number of primary care clinics,
10 thereby improving accessibility to health care services in rural and
11 medically underserved areas of this state. It will also provide less
12 expensive alternatives to treatment provided by emergency rooms,
13 which treatment contributes to increasing health care costs.

14 (4) Cal CARE will increase the number of Californians with
15 health care coverage by offering incentives to employers who offer
16 health care coverage to their employees, and it will prioritize
17 funding for children's health care initiatives provided by First 5
18 California pursuant to Division 108 of the Health and Safety Code.

19 (5) Cal CARE will require Californians to take personal
20 responsibility for their health care, providing an individual the
21 same tax benefits as an employer who provides health care
22 coverage to its employees.

23 (6) Cal CARE will not require Californians to pay for health
24 care provided to illegal immigrants and will bill the federal
25 government for the costs California taxpayers already must pay
26 for illegal immigrants' health care.

27 (b) It is the intent of the Legislature to enact the Cal CARE
28 program to improve access to health care services for the residents
29 of this state.

30 *SEC. 2. (a) The Legislature shall enact legislation, in order*
31 *to improve access and affordability to health care for Californians,*
32 *to do the following:*

33 *(1) Allow employers who offer health insurance coverage to*
34 *their employees to enter into employer-employee agreed upon*
35 *flex-time work schedules.*

36 *(2) Allow hospitals to offer "preventive health services only"*
37 *coverage where the actual care is delivered through a hospital's*
38 *primary care or community-based clinics.*

39 *(3) Allow nurse practitioners to establish and run primary care*
40 *clinics.*

1 (4) *Provide a partial tax credit directly to providers for the cost*
2 *of providing care to the uninsured.*

3 (5) *Realign and extend health care coverage for the*
4 *“uninsurable” population by using Proposition 99 (the Tobacco*
5 *Tax and Health Protection Act of 1988) funds.*

6 (6) *Conform California’s laws to federal law with respect to*
7 *providing tax deductions for businesses and individuals who use*
8 *health savings accounts.*

9 (7) *Allow health care coverage benefit designs that conform to*
10 *existing federal requirements for Health Saving Accounts-eligible*
11 *High Deductible Health Plans.*

12 (8) *Provide a tax credit to employers who contribute to their*
13 *employees’ Health Savings Accounts.*

14 (9) *Provide a tax credit for hospitals and physicians and*
15 *surgeons who purchase cost-saving and quality-improving*
16 *technologies such as electronic medical records and telemedicine*
17 *and establish a low-interest loan program to assist nonprofit*
18 *hospitals and medical groups make health care technology*
19 *purchase.*

20 (10) *Establish a new prioritization system that will focus on*
21 *seismically retrofitting the most at-risk hospitals first.*

22 (11) *Require the Department of Managed Health Care and the*
23 *Department of Insurance to allow health care service plans and*
24 *health insurers increased flexibility regarding product design,*
25 *including, but not limited to, co-payments, deductibles, networks,*
26 *mandates, and benefits so that health care service plans and health*
27 *insurers can better and more quickly respond to consumer demand*
28 *for affordable products that provide health care coverage and*
29 *benefits appropriate to specific segments of the population.*

30 (12) *Allow rate flexibility in the small market to consider lifestyle*
31 *behaviors in order to offer more affordable health care coverage*
32 *options.*

33 (13) *Require the Public Employees’ Retirement System to offer*
34 *high deductible health care service plans and health savings*
35 *accounts to state employees.*

36 (b) *It is the intent of the Legislature to do all the following in*
37 *order to improve access and affordability to health care for*
38 *Californians:*

39 (1) *Reallocate Proposition 10 (the California Families and*
40 *Children Act of 1998) funding and direct all funds to children’s*

1 *health care initiatives provided by First 5 California pursuant to*
2 *Division 108 of the Health and Safety Code.*

3 *(2) Redirect a majority of the funding currently dedicated to*
4 *state-only programs that provide health care services to uninsured*
5 *or underinsured individuals to community clinics and health*
6 *centers in order to allow a greater number of low-income*
7 *individuals who are unable to purchase health care coverage and*
8 *do not qualify for government programs to receive primary care*
9 *services.*

10 *(3) Increase Medi-Cal rates towards parity with Medicare rates*
11 *over the next eight fiscal years and make it a first priority to*
12 *increase the rates that are currently the lowest.*

13 *(4) Direct a portion of the \$2 billion allocated annually to*
14 *disproportionate share hospitals to be used towards additional*
15 *clinic creation and expansion.*

16 *(5) Require hospitals and providers for different health services*
17 *to make pricing information become more readily available for*
18 *consumers.*

19 *(6) Align Medi-Cal more closely with private health care*
20 *benefits and require the Department of Health Care Services to*
21 *make the changes needed to accomplish this and seek the necessary*
22 *federal waivers.*

23 *(7) Call on the federal government to pay for the mandated*
24 *health care costs for illegal immigrants.*

25 *(8) Make available health care coverage be driven by market*
26 *demand rather than regulatory restrictions.*

27 *(9) Encourage employers to offer their employees pretax Section*
28 *125 plans.*